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FM AMEMBASSY BRASILIA
TO RUEHC/SECSTATE WASHDC 1234
RUEHBU/AMEMBASSY BUENOS AIRES 5364
RUEHSG/AMEMBASSY SANTIAGO 0197
RUEHLP/AMEMBASSY LA PAZ MAR LIMA 3722
RUEHQT/AMEMBASSY QUITO 2422
RUEHBO/AMEMBASSY BOGOTA 4487
RUEHAC/AMEMBASSY ASUNCION 6643
RUEHGE/AMEMBASSY GEORGETOWN 1432
RUEHMN/AMEMBASSY MONTEVIDEO 7267
RUEHPO/AMEMBASSY PARAMARIBO 1475
RUEHCV/AMEMBASSY CARACAS 4007
RUEATRS/DEPT OF TREASURY WASHDC
RHEBAAA/DOE WASHDC
RUEHC/DOI WASHDC
RUEAWJA/DOJ WASHDC
RUEAEPH/HQ EPA WASHDC
RUEHRC/USDA WASHDC
RUCPDOG/USDOC WASHDC

UNCLAS BRASILIA 000373

SIPDIS

SENSITIVE

SIPDIS

DEPT PASS USAID TO LAC/RSD, LAC/SAM, G/ENV, PPC/ENV
USDA FOR FOREST SERVICE: LIZ MAHEW
INTERIOR FOR DIR INT AFFAIRS: K WASHBURN
INTERIOR FOR FWS: TOM RILEY
INTERIOR FOR NPS: JONATHAN PUTNAM
INTERIOR PASS USGS FOR INTERNATIONAL: J WEAVER
JUSTICE FOR ENVIRONMENT AND NATURAL RESOURCES: JWEBB
EPA FOR INTERNATIONAL: CAM HILL-MACON
USDA FOR ARS/INTERNATIONAL RESEARCH: G FLANLEY
NSF FOR INTERNATIONAL: HAROLD STOLBERG

E.O. 12958: N/A

TAGS: [SENV](#) [EAGR](#) [EAID](#) [TBIO](#) [ECON](#) [SOCI](#) [XR](#) [BR](#)

SUBJECT: POLLUTION RANKS HIGH AMONG ENVIRONMENTAL CONCERNS IN PERU

SUMMARY

¶1. (SBU) Regional Environmental Officer held meetings January 28-31, 2008 with Peruvian government representatives, trade organizations, international institutions, NGOs, and private industry to discuss environmental concerns. Discussions of priority environmental issues covered: (1) Mining pollution from abandoned legacies and small-scale operations; (2) Urban pollution (wastewater discharge, solid waste, air pollution); (3) Rapid glacial melt, creating need for proactive water resources management in coastal region. END
SUMMARY

GOVERNMENTAL MINING INSTITUTIONS POINT TO SMALL OPERATIONS AS
GREATEST CHALLENGE

¶2. (SBU) Alfredo Rodriguez, Director of Ministry of Energy and Mines (MEM), related challenges due to lack of qualified employees (non-competitive salaries) and lack of financial resources. Environmental legacies from old, abandoned mines represent a significant concern, with problem resolution proceeding very slowly. MEM is working with the UNDP on institutional reinforcement in three areas: informal mining, mining legacies, mine closures.

¶3. (SBU) Alfredo Dammert, Director of OSINERGMIN (Organismo

Supervisor de la Inversion en Energia y Minería) described the agency's environmental regulatory oversight for three sectors: hydrocarbons (petroleum & natural gas), electricity, and mining. With a 40M budget and 220 employees, OSINERGMIN pays higher salaries and has greater independence than MEM. Present regulatory role in mining sector (medium to large operations) involves monitoring and supervision, detection of infractions, sanctioning, fining to achieve environmental compliance. OSINERGMIN is willing to assume regulatory responsibility for small-scale mining operations which currently receive very little regional monitoring from the regions. Budget increases (or third party contracting) would be required to be able to meet monitoring, supervisory and enforcement needs of numerous, remote small-mine operations with poor compliance records.

14. (SBU) Both MEM and OSINERGMIN assert that the artisanal mining sector needs to be formalized to achieve better environmental compliance and social standards.

INTERNATIONAL INSTITUTIONS RECOMMEND MINING LEGACY REMEDIATION

15. (SBU) Anne Slivitsky, leader of Percan, Canadian-Peruvian Development Partnership, discussed completion of 5-year project with Ministry of Energy and Mines (MEM) focused on: environmental protection, social conditions, IT database improvement, and regional management strengthening. Percan reports that MEM is beset by lack of human and financial resources. Austerity measures (e.g., 40% salary cuts) in last 2 years have promoted massive departures of qualified professionals. Civil service career track is needed to avoid government "brain drain". Although mining regulations are adequate, lack of transparency at MEM results in application of different rules for national Peruvian mining companies compared to rules applied for multinational mining operations.

16. (SBU) Renan Poveda, World Bank author of 2005 "Study on the Environmental and Social Dimensions of Mining Sector in Peru", highlighted the problem of mining legacies. 610 mining environmental legacies have been identified, 72% with identified responsible parties. Bank report recommends that limitations on new mining concessions be instituted until remediation is begun on existing legacies. Bank report notes that decentralization will remove federal institutional assistance from vulnerable municipalities, allowing small mining operations to become regionally depredatory. Formalization of artisanal mining sector is recommended to ensure practice standardization, and enforcement of social and public health controls.

17. (SBU) Both Percan and World Bank believe that the decentralization of regulatory control for small mining operations (